

No. 20267

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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SANTA ANITA MANUFACTURING CORPORATION,

*Appellant and Cross-Appellee,*

*vs.*

MAX J. LUGASH AND MAXON INDUSTRIES, INC.,

*Appellees and Cross-Appellants.*

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Answering Brief of Appellees Max J. Lugash and  
Maxon Industries, Inc.

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Answering Brief of Appellees Max J. Lugash and  
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## Introduction.

Defendant's appeal is from a judgment holding Lugash Patent No. 2,837,227 valid and infringed [R. 675]. After a six day trial [Tr. 1-905], post-trial briefs were filed [R. 428, 486] and final argument was had [Tr. 906] resulting in the court's opinion favorable to the patent [R. 561]. The court heard argument on defendant's objections to proposed findings of fact, conclusions of law and judgment, and extensively revised them [Tr. 917-948] into the form contained in this record [R. 662-677].

Defendant's brief specifies alleged errors (A.O.B. 10-15) in nearly all of Findings of Fact 6 to 30 [R. 663-670], dealing with validity and infringement, but

many of them are not argued and nowhere is there an attempt to demonstrate lack of substantial evidence to support the findings. Instead, defendant has extracted shards or fragments of evidence, some of which is favorable to it, some of which is made to seem so by viewing it in isolation and some of which is inaccurately characterized.

This “court is not required to discover or attempt to discover alleged errors that appellant’s counsel cannot or will not point out.” *Continental Connector Corp. v. Houston-Fearless Corp.*, 350 F. 2d 183, 189 (C.A. 9, 1965)

“. . . it is not incumbent upon *appellees* to persuade this court that the district court’s findings are correct; on the contrary, the *appellants* must persuade this court that the district court’s findings of fact are, as specified by appellants, clearly erroneous.” (Emphasis in original).

*Pacific Queen v. Symes*, 307 F. 2d 700, 706 (C.A. 9, 1962).

Defendant has not observed this court’s Rule 18-2-(c)(d) and (e). As a result, an understanding of the facts and defendant’s contentions in relation to them cannot reliably be derived from defendant’s brief. In its statement of the case and specifications of alleged errors, (A. O. B. 2-15) argument is commingled with “fact”; almost every one of 14 specifications of alleged error argues defendant’s version of case authorities; almost every specification contains and mixes several alleged errors of fact and/or law to such an extent that it is well-nigh impossible to even count them (*e.g.*, specification 3, A. O. B. 10, 11).

Every criticism of the appellant's brief stated by this court in *Thys Co. v. Anglo-California National Bank*, 219 F. 2d 131 (C. A. 9, 1955) is applicable. Defendant's brief, is not calculated to conserve the time and energy of the court nor to advise appellees, fairly and clearly, of the points which they are obliged to meet. A dismissal of the appeal, so generously withheld by the court in *Thys*, is warranted here. In any event, defendant's inaccurate presentation of the matter is a factor to be taken into account in determining the merits. Did the trial court decide in favor of plaintiffs because "confused" on the law as charged by defendant (A. O. B. 30) or mistaken about all of the evidence on nearly all of the Findings (A. O. B. 10-15)? Had the defendant made a fair and proper opening, it would be evident from that major portion of the record (about 90%) nowhere referred to in its brief, that very substantial evidence and legal criteria support the trial court's holding for plaintiffs.

A few examples demonstrate the need for a restatement of the case. From its fragments of the record, defendant argues that Lugash '227 is a "step backward in the art" (A. O. B. 43), neglecting to mention defendant's admission that it actually is "THE NEW-EST" idea in mechanized loading [Tr. 617]. Defendant now relies heavily on its Exhibit E-G which, at trial, its counsel said is "obviously" not prior art [Tr. 402]. Defendant says its experts' testimony on obviousness was "uncontradicted" (A. O. B. 39), ignoring the fact that they were cross-examined thereon extensively [Tr. 493-617, 761-826] and that plaintiffs' expert testified to the contrary [Tr. 879, 880]. In arguing anticipation, "irrefutably" (A. O. B. 27), defend-

ant forgets the admission of its patent expert that not one of its 27 prior art patents shows a parallel rule linkage system which raises and lowers an inverted platform [Tr. 786, 787]. Defendant says that prior art Novotney '403 "shows" or "teaches" or "describes" a platform that can be inverted over a parallel rule linkage system (A. O. B. 27, 29, 31) in the face of admissions to the contrary forced out of both its experts by the court and plaintiffs counsel [Tr. 483-486, 779].

### Restatement of the Case.

This case involves Lugash generic patent No. 2,837,-227 [Ex. 1] and Lugash improvement patent No. 2,-989,197 [Ex. 2] on power loading devices for trucks. Both are for loaders optionally movable between a tucked away position under the truck bed and a load supporting position extended beyond the truck bed. The second patent is for "an improvement over the hoist" of Lugash generic patent '227 [Ex. 2, Column 1, lines 8-12] *i.e.*, the second is a unitary assembly of the parts so forming a power loader attachable as a unit under any desired location on a truck [Ex. 2, Column 4, lines 34-37].

Santa Anita Manufacturing Co. was charged with infringement of both patents [R. 2]. The trial court held the generic patent '227 valid and infringed while the improvement patent for the unitary construction was held invalid [R. 675] and is the subject of plaintiffs' cross-appeal [R. 704]\*, taken after defendant's appeal [R. 681].

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\*Plaintiffs' opening brief on the cross-appeal has a concise statement of facts germane to the cross-appeal. The restatement of facts in this brief restates facts contained in plaintiffs' previously filed brief on the cross-appeal, where apposite to the issues of the main appeal.

A. The Subject Matter of Lugash Generic Patent  
No. 2,837,227 in Suit.

Lugash '227 is a mechanism, the parts of which function both:

1. As a loader to move loads on an approximately horizontal platform between ground level and the level of the truck bed, and
2. To move its parts into and out of a stored position under the truck bed [Tr. 105-120, Find. 6, R. 663].

The Lugash patent application, as filed, stated both objectives [Ex. 1, Column 1, lines 19-25]\* which are carried out by a combination of elements briefly summarized from claim 8, for example, as

- (a) a pair of parallel rule linkage systems (*i.e.*, the two pairs 42, 44)
- (b) a platform (43)
- (c) connections between the linkage systems and platform comprising
  - (1) hinge means permitting inversion of the platform over the linkage systems (*i.e.*, the bolts 48, Fig. 3) and
  - (2) stop means to support the platform in load carrying position (*i.e.*, the ledge element 53, Fig. 1)
- (d) power means to lift the platform or to allow it to descend (*i.e.*, a cable hoist system including the cable 57 of Fig. 1, in one embodiment, and including a pair of hydraulic cylinders 70 in the embodiment of Figure 9 [Find. 7, R. 664].

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\*The specification of the Lugash patent application and issued patent are the same in all material respects. For convenience, reference will be made to the patent, Exhibit 1, rather than to the file history, Exhibit A.



As disclosed by Lugash, in his combination each of the parts functions both when the combination is used for loading and unloading purposes and, also, when the combination of parts is being put into and out of a stored position.

The parallel rule linkage systems during loading operations maintain the platform in a substantially horizontal plane during raising and lowering of the platform. (Compare the solid and phantom outline positions of the platform in Figure 1). When it is desired to store the platform under the truck bed the platform is manually inverted into superposed position over the linkage systems (Figure 3) the parallel rule linkage systems swing the platform from the lowered and downwardly pointing position of Figure 3 to the raised and upwardly pointing position shown in the uppermost phantom outline in Figure 5. In this sequence of movement, the platform changes its angle along with the changing angle of the parallel rule linkage systems, as contrasted to the constantly horizontal attitude of the platform during loading operations.

The power means is an active element in both loading and storing operations. It provides power both for raising and lowering loads and for raising and lowering the inverted platform and the parallel linkage systems into and out of the stored position [Ex. 1, Column 4, lines 33-55, Column 5, lines 13-17].

The connections between the linkage systems and the platform function both in loading and storing. During loading, the hinge means and stop means, in cooperation with the parallel linkage systems, maintain the platform in substantially horizontal attitude. In storing, when the platform is at ground level, the hinge



means permits swinging the platform through an arc sufficient to reach inverted position, as in Figure 3, without any interference from the parallel rule linkage systems or the stop means [Ex. 1, Column 3, lines 44-50, Column 4, lines 45-51].

Plaintiff's expert testified to the above effect [Tr. 105-120], and the court saw plaintiffs' loader in operation [Tr. 852 *et seq.*]. The trial court found that the Lugash combination of elements functions both as a loader and to move the device into an out-of-the-way position [Find. 6, R. 663]; the power means both moves the load platform into and out of stowed position as well as to carry out loading operations; and that the parallelogram linkage systems are active elements both in stowing and loading operations [Find. 8, R. 664].

#### **B. Prior Art Relied on by Defendant.**

Against both Lugash patents in suit, the defendant relied on some 27 prior art patents, contained in 2 books [Exs. C and D]. Defendant's counsel identified the patents in Exhibit C as allegedly anticipatory [Tr. 774, lines 12-20] but his patent expert could not agree with him as to the relative pertinency of the patents in the two books [Tr. 397, lines 7-9; 773, lines 12-25]. On cross-examination, defendant's patent expert admitted that no prior art patent shows the combination of parallel linkage systems and invertible platform [Tr. 786, line 7; Tr. 787, line 10].

#### **Novotney '403 — (Exhibit C)**

This patent is entitled "End Gate Loader". While defendant's patent expert said Novotney '403 has a parallelogram linkage system [Tr. 705, lines 1-9], de-

fendant's president in referring to the same structure was not sure that it comprised a parallelogram linkage system [Tr. 482, lines 1-6] and his uncertainty remained constant on cross-examination [Tr. 610, line 16; Tr. 611, line 14]. The latter admitted to the court that nothing in Novotney '403 indicates that the platform inverts over the lifting arms [Tr. 483, lines 4-15]. Defendant's patent expert also admitted Novotney '403 "doesn't say that the gate is to be used by being inverted over the arms" [Tr. 799, lines 12-17]. The Court made a distinction between the showing of Novotney '403 and this witnesses "argument on it" [Tr. 786, line 7]. The court found nothing in Novotney '403 suggests that he intended or appreciated any inversion of a load platform over a parallelogram linkage system or stowing the same beneath the truck when not in use [Finds. 16, 24, R. 666].

The platform 9 of Novotney '403 is connected to a pair of yokes 8, shown in Figure 3, the yokes having slots in their upper ends [Ex. C]. No portion of Novotney '403 in the specification or drawings discloses the configuration of any parts disposed in the yoke slots. Although defendant's expert thought there "would be some sort of a lug" going from the platform into the slots of the yokes, it was conceded by defendant, and recognized by the trial court, that no lug configuration was shown [Tr. 777, line 17-779, line 5]. Plaintiffs' expert testified that Novotney '403 nowhere discloses any hinge means permitting inverting the gate or platform [Tr. 891, line 14-892, line 8] and, if assumed, the device could not be fully raised and the yokes 8 would be rendered useless [Tr. 894, lines 16-22].

The court found that it is mechanically *possible* to invert the platform in Novotney '403, but not with substantially the same result as in Lugash '227 in suit [Find. 16, R. 666]. The phrase about mechanical possibility was contrary to plaintiffs' position that it was error as a matter of law and fact to so construe Novotney [R. 439-456]. In its opinion, the trial court concluded that such possibility is not "inherent" in Novotney "in any degree" [R. 563, line 20-R. 564, line 12; Find. 17, R. 666].

Defendant's brief refers to its Exhibits AM-1 and AM-2, comparing claims of Lugash '227 with what Novotney '403 allegedly "clearly shows" or what is allegedly "taught by" Novotney '403 (A. O. B. 27). But Figure 2 on both of these exhibits were admitted by defendant at the trial, *not* to be figures from the Novotney '403 patent [Tr. 750, line 11-751, line 16]. This is not pointed out in defendant's brief.

#### **Peters, Narvestad and Jester.**

Defendant contended that lifting lever arms, shown in Peters, Narvestad [Ex. C] and Jester [Ex. D], are the equivalent of parallel linkage systems such as are used in Lugash '227 [Tr. 720, lines 18-22; 784, line 24-787, line 10] but the court found non-equivalence [Find. 22, R. 667-668].

With regard to Peters [Ex. C], defendant's expert called the lifting arms a "linkage" while admitting it is not a parallel rule linkage system [Tr. 789, lines 18-25]. The patent itself refers to "lifting levers" [*e.g.*, Ex. C, Peters, Column 3, lines 18, 37, 52] and defendant's expert admitted the Peters device tilts the load carried by it as the platform swings through 55-58° change of angle [Tr. 792, lines 7-24].

With regard to Narvestad [Ex. D],\* defendant's expert admitted it is a swingable lever arm type of device, and does not have a parallelogram linkage system [Tr. 796, line 19-797, line 3]. Narvestad shows two embodiments, as to both of which defendant's expert conceded there is a change in angle in the platform and arms as the device is raised and lowered between ground level and the level of the truck bed. According to him, this would be in varying degrees, but in the one case as much as 60° [Tr. 798, line 9-800, line 6].

With regard to Jester [Ex. D], defendant's expert admitted it has no parallelogram linkage system and that its platform swings through 140-150° change of angle in moving between raised and lowered position, with the result of dropping a load upside-down on the truck bed [Tr. 811, line 1-813, line 14].

At the trial, plaintiffs showed that in Lugash '227, for the first time, the lifting arms of a truck loader move to carry an inverted platform into and out of a stowed position, and the court so found [Find. 8, R. 664]. In opposition to this, the defendant relied on Peters, Narvestad and Jester. The court found that none of them has the same mode of operation as Lugash '227 in inverting and moving the platform under the truck bed [Finds. 19, 20; R. 667].

With regard to Peters [Ex. C], defendant's expert on cross-examination admitted that in order to store the device, there has to be an unlatching of parts, that other parts have to be shifted or slid with respect to other parts, that some runner block parts of the platform have to be folded inwardly before the parts 47

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\*Which was cited against the second Lugash patent in suit.

of the platform could be folded over onto lifting arms, the whole finally being manually shifted and slid onto a separate supporting shelf [Tr. 794, line 11-796, line 14].

With respect to Narvestad [Ex. C], defendant's expert admitted that once the platform was folded over, it has to be manually slid in and out on a telescoping tube structure to move it in and out of position under the truck bed [Tr. 800, lines 12-23]. With regard to Jester [Ex. D], defendant's expert admitted on cross-examination that in order to stow the device, there is involved the disconnecting of a pin 51, the folding of an arm section B over a section A, the disconnection of a latch, and the connecting of a separate rod 52 to hold the entire device in the stowed position [Tr. 813, line 18-814, line 11].

At the trial, plaintiffs showed, and the court found, that Lugash '227 in suit was the first loader to utilize a power means for moving the load platform into and out of a stored position [Find. 8, R. 664]. Against this, defendant relied on Peters, Narvestad and Jester. With regard to Peters [Ex. C], defendant's expert admitted on cross-examination that stowing the loader or getting it out ready for use is an entirely manual operation [Tr. 796, lines 15-18]. With regard to Narvestad [Ex. C], he admitted on cross-examination that the power means has no function in sliding the platform in and out [Tr. 801, lines 4-6].

On redirect examination, defendant's expert said that Jester [Ex. D] uses his power means in moving the platform into an out of the way position [Tr. 845, lines 10-16]. No such claim was made by him on direct. On recross-examination, he admitted that this was



based merely on his *interpretation* of Figure 3 of the Jester patent [Tr. 850, lines 20-23] and is not described in the patent specification. The Jester patent, itself, automatically prevents the power from ever being effective except when a load is put on the platform [Ex. D, Jester, Column 1, lines 12-17, p. 2, Column 2, lines 15-21].

Contrary to defendant's contentions, the court specifically found that Narvestad, Peters and Jester do not disclose or suggest any means for utilizing the power for moving the platform into and out of a stowed away position [Find. 21, R. 667].

### C. Utility of Lugash '227 in Suit.

Prior to the Lugash stowable loader, the only type of loader to gain widespread commercial acceptance was the tailgate loader, which had been used for decades [Tr. 24, 58]. In these, the load platform also acts as a tailgate to close the rear end of the truck bed [Find. 10, R. 665]. The tailgate loader has no storage position. When not in use for loading, the platform travels in the vertically erect position behind the bed of the truck, as a tailgate [*e.g.*, Ex. C, Novotney '403, Column 2, lines 7-9, 20, 21].

Tailgate platforms do not always serve their intended function of acting as a tailgate. It was common to have a gate or door in front of the tailgate platform to hold articles in the truck [Tr. 77, lines 1-3; 39, lines 1-10]. With a tailgate, the device must be operated every time access is desired to the truck bed, even if the user only wishes to load or unload a very small or very light package for which a power loader is not needed [Tr. 33-34, 28]. Tailgates must be op-

erated in order to accomplish loading and unloading of a truck from a dock, are not adapted to take the heavy weight of a forklift truck, and can be damaged in such dock loading operations [Tr. 30, 52, 72, 73].

Defendant did not introduce any evidence of any loader that could be stored in an out-of-the-way position ever to come into successful use in the trucking industry, prior to Lugash '227.

At the trial, the court saw and examined embodiments of plaintiffs' stowable loaders and of tailgate loaders in operation at a loading dock [Tr. 854-865].

In 1957, plaintiff Max J. Lugash commenced manufacture and sale of his stowable loaders, assisted by a son [Tr. 291, 296]. Those products are called Tuk-A-Way loaders. Plaintiff Maxon Industries was formed in 1962. In 1957, Max Lugash sold 21 Tuk-A-Way loaders. Sales volume increased every year, Maxon Industries having sold 1,238 Tuk-A-Way loaders in 1964 for a sales volume of \$549,351 [Ex. 22, Tr. 292-296].

In the use of Tuk-A-Way loaders, it is not necessary to buy a separate tailgate since such are original equipment with the truck [Tr. 62]. A Tuk-A-Way loader need never be operated unnecessarily—it is available when one needs it and out of the way when not needed [Tr. 33, 49, 50, 71, 72]. Trucks in the general freight business equipped with the Lugash patented device save from 30 minutes to over one hour per day per truck as compared to a truck equipped with a tailgate loader [Tr. 28, 72]. The Lugash '227 loader is displacing tailgate loaders in some general freight business [Tr. 34] and rental companies are converting to Tuk-A-Way loaders [Tr. 54] because they are safer

[Tr. 52, 53] have greater utility and increase rental income [Tr. 50-53]. In dock loading operations, there is no possibility of damage to the Lugash '227 loader [Tr. 30, 52, 72, 73].

Defendant's infringing device, known as the Folda-Lift, was first sold in 1960 [Find. 13, R. 665]. Defendant came out with this device at the request of its distributors [Ex. 8, pp. 40, 41], after seeing the Lugash patent and plaintiffs' Tuk-A-Way loaders [Tr. 520, 574-581] and called it "The Newest" idea in mechanized loading, having all of the advantages of tailgates "WITH NONE OF THE DISADVANTAGES" [Tr. 614-617]. As compared to the Anthony dropleaf or Daybrook D. A., which are varieties of conventional tailgate loaders in which the platform travels as a tailgate [Tr. 815-818], defendant's president admitted that the infringing Folda-Lift has advantages in cost, simplicity, ground clearance and in the ability to get the platform out of the way [Tr. 535].

In its brief, the defendant has not referred to any of the above record, except to defendant's Exhibit EG, an advertising brochure for the Daybrook D. A. with a dropleaf tailgate, which exhibit defense counsel admitted is not prior art [Tr. 402, lines 14-19] and to Exhibit AD on the Anthony dropleaf, for which pamphlet no date has been established in the record, defendant's president being unable to recall when he received it [Tr. 510].



D. Infringement of Lugash '227 in Suit.

At the trial, defendant did not produce any sample of its Folda-Lift loader. Plaintiffs introduced their Exhibit 5, a one-fifth scale model of a Folda-Lift. Plaintiffs' expert testified, regarding infringement, to the effect stated in Findings 29 and 30 [Tr. 132-198, R. 670].

With regard to defendant's position that some models, at least, of defendant's Folda-Lift have a ramping linkage which does not produce a "level ride" (A. O. B. 50) defendant's president on cross-examination admitted that Folda-Lift Loaders with a slight ramping action are "level ride" loaders [Tr. 550, lines 1-20]. In the "ramping" models, the function of the linkage is to keep the platform level, so loads would not be tipped over [Tr. 553, lines 1-8]. During his deposition the president of defendant admitted that defendant's Folda-Lift loader has a parallelogram linkage [Ex. 8, p. 114, lines 15-24] deliberately designed to prevent tipping over of a load on the platform [Ex. 8, p. 85] and he admitted at the trial that both ramping and non-ramping linkages are parallelogram linkages [Tr. 611, line 5-612, line 6]. The difference between ramping and non-ramping linkages in the Folda-Lift device amounts to 3/16 of an inch in the center to center spacing on one link [Tr. Ex. 8, pp. 81-83].

With regard to defendant's position that the accused Folda-Lift device is a change only in a matter of a few degrees as compared to the defendant's prior conven-

tional tailgate loader (A. O. B. 46-47), it was brought out at the trial on cross-examination of defendant's president that in defendant's conventional tailgate loader when the platform is lowered to ground level, the platform cannot be raised through any degree of movement, let alone 90° [Tr. 596]. In the accused Folda-Lift device, when the platform is at ground level, the platform swings through 135° in order to invert it over the lifting linkage to enable it to be raised to the stored position [Tr. 596]. He also admitted that the accused Folda-Lift loader has a different platform [Tr. 602], has a different body spacer [Tr. 602] and has a different location of hydraulic lines and fittings to the lifting cylinder [Tr. 603-604].

## ARGUMENT.

### I.

Lugash '227 Is a Combination of Functionally Related Elements. The Basic Fallacy in Defendant's Position Is That It Requires Treating One Element of the Patented Combination as the Patented Invention Itself.

A. The Court Factually Found Lugash to Be a Combination of Functionally Related Elements.

Speaking broadly, the Lugash invention is for a combination of elements, all of which are functionally related both to act as a loader and to store the loader [Finds. 6, 7, R. 663-664]. More specifically, it is a claimed combination of elements which, for shorthand convenience at the trial, was referred to as the combination of a parallelogram linkage system and invertible platform [R. 531]. This shorthand expression is not a complete definition of the invention, since Claim 8, for example, also includes elements of power means, and connections between the parallel linkage systems and platform comprising a hinge means permitting inversion and a stop means to hold the platform in horizontally extended position. The claim was, of course, treated at the trial with all of its elements regarded as being material, as evidenced by the court's Finding 7 [R. 664]. In using this shorthand expression we mean the claimed combination as an entirety, with all its elements.

Defendant admits that the parts of the Lugash combination claim are functionally related for loading purposes. The trial court found that the several parts of the claimed combination are also functionally related for stowing purposes [Find. 8, R. 664]. At the trial, de-

fendant did not try to rebut the fact that the parts of the Lugash combination function both ways, as stated in Finding 8, but now defendant balks at the impact of this Finding. Defendant now tries to limit Lugash to the single feature of platform inversion (A. O. B. 6-7) but nowhere tries to demonstrate that the evidence at the trial does not support Finding 8 which states:

“Lugash patent '227 creates a new organization of individually old elements giving new modes of operation to the elements of the combination, never before seen in the truck loading art. For the first time, the power means moves a load platform into and out of a stored position. For the first time, the lifting arms of a truck loader function to move an inverted platform into and out of a stored position. For the first time, both the power means and the lifting arms of a truck loader are given a dual function, i.e., they are active elements in accomplishing movement of the inverted platform into and out of a stored position as well as being active in carrying out loading operations”. [R. 664].

Wherever, this finding says “for the first time”, it means just that. No prior art ever suggested the possibility of any of these “firsts”, let alone any combination of means for attaining such firsts [Find. 18, R. 666]. Now, as regards the presence and functional relationship of the elements in Lugash’s combination, particularly the power means and lifting arms, in the storing of the Lugash loader, defendant resorts to ridicule (A. O. B. 18, “When it is painted green”; “Why not a third mode for purpose of amusement?”, A. O. B. 38).

This question “of uniting old art parts or elements in such manner that they produce a new function or oper-

ation” is one of fact. *Beatty Sawway Scaffold v. Upright*, 306 F. 2d 626, 629 (C.A. 9, 1962). Lugash’s combination functions for both loading and stowing and all of the elements work in both of these phases, as was physically demonstrated to the court [R. 852 *et seq.*]. The invertible platform is only one feature of the combination. Defendants ridicule will not erase the found facts that the power means, linkage systems, hinge means and stop means, as well as the invertible platform, are *all* elements of the combination, *all* functionally related for both loading and stowing purposes.

With respect to defendant’s reliance on *Calmar v. Cook* (cited as *Graham v. John Deere*, 383 U.S. 1, 86 S. Ct. 684) the facts found in this case make that case inapposite because the subject matter of Lugash ’227, as a whole, does not boil down to the single feature of platform inversion. Defendant made this contention at the trial [Tr. 701, 702] but unsuccessfully, as we have seen. The trial court rightly understood that

“if anything is settled in the patent law, it is that the combination patent covers only the totality of the elements in the claim and that no element, separately viewed, is within the grant.”

*Aro v. Convertible Top*, 365 U.S. 336, 344.

Paraphrasing *Pursche v. Atlas Scraper and Engineering Co.*, 300 F. 2d 467 at 477 (C. A. 9 1961) the trial court further understood that

“[Lugash] is not, as [defendant] apparently believes, claiming an improvement to a turning means that is old in the art, but instead is claiming what we have already determined is an entirely new combination that performs a new function over prior

art devices. Thus, the rule in *Lincoln Engineering Co. of Illinois v. Stewart Warner Corp.*

“ . . . that . . . ‘the improvement of one part of an old combination gives no right to claim the improvement in combination with other old parts which perform no new function in the combination has no application’ ”.

“Rather, the correct principle is the one stated in *Expanded Metal Co. v. Bradford*, 214 U.S. 366, 381, 29 S.Ct. 642, 656, 53 L.Ed. 1034 (1909) ;

‘It is perfectly well settled that a new combination of elements, old in themselves, but which produce a new and useful result, entitles the inventor to the protection of a patent.’ ”

*Pursche v. Atlas Scraper & Engineering Co.*, *supra*, page 477.

*Cf. Roth v. Roberts Manufacturing Co.*, 298 F. 2d 200, 201, 202 (C.A. 9, 1961). *Pursche* was good law before *Graham v. Deere*, and remains unimpaired as controlling authority in this case, where Lugash has given this art the first practical stowable loader.

**B. As Both the Patent Office and Trial Court Saw, Lugash Is Entitled to His Combination and No Prior Art Restricts Him to Merely the Improvement of an Element.**

We have demonstrated the basic error in the defendant's position in attempting to characterize Lugash's claims as limited to the sole feature of platform inversion. Lugash's claims *cannot* be so characterized. He was permitted by the Patent Office to claim the entire combination of invertible platform and parallel linkage systems, to use our shorthand expression. The history



of the prosecution of the Lugash application in the Patent Office [Ex. A] does not reveal a divergence of position, as was the case with the Scoggin patent claims held invalid in *Calmar Inc. v. Cook Chemical Co.*, *supra*. On the contrary, claims to the basic combination of invertible platform and parallel linkage systems were allowed as filed [Ex. A, p. 20]. Not only did Lugash not have to retreat, he was allowed additional new claims which broadened the definition of his unique combination [Ex. A, pp. 20-25], *e.g.*, patent claim 8.

As contrasted to *Calmar*, where “the exact basis of the district court’s holding” of validity of the patent in suit was “uncertain” 86 S. Ct. at page 700, the district court in this case, with certainty and clarity, made findings on the technical facts.

The broad distinction between the facts in this case and the facts in *Calmar v. Cook* and the basic defect in defendant’s position is conclusively demonstrated by consideration of the two claims held invalid by the Supreme Court in *Calmar*. Those are set out at 220 F. Supp. at pages 417-418 and a reading of them is essential to a proper understanding of the Supreme Court’s action in the *Calmar* case.

After reading the Scoggin patent claims, the nature of the “substantial divergence” of the patentee’s position, which was remarked upon by the Supreme Court, 86 S. Ct. at page 701, is made clear. Scoggin was estopped from claiming the entire combination of spray pump and overcap in broad terms, because he was forced by the Patent Office to abandon broad claims. He ended up only with what is known as a Jepson type claim which specifically recited as the exclusive patentable difference in his narrowly defined combination, a

*sealing arrangement* comprising a combination of an annular retainer and a cup-shaped hold down member. Scoggin's claims did not and could not broadly claim the entire combination of spray pump and over cap — his device was only one of several previously known shipper-sprayers made up of the same combination.

The trial court found that Lugash's invention is a new combination of elements functionally related for both loading and stowing purposes and with the elements for the first time being active in both phases [Find. 8, R. 664]. Nothing in the file history estops Lugash from asserting all of this as his invention. There is not here any divergence of position, such as was present in *Calmar*. Instead, this case is controlled by the principles of *United States v. Adams*, 86 S. Ct. 708. Here, as there, is a combination of functionally related elements and plaintiffs' reliance on this as the invention of Lugash is not "an afterthought" of trial counsel nor any "divergence" of position. Lugash, like Adams, provided a *first* practical device of its kind.

### C. The Lugash Claims Comply With the Statute.

Defendant argues that the Lugash claims do not meet the requirements of 35 U.S.C. 112. It is alleged they do not "require" the platform to be swung, when it should be swung, what should be done after it is swung, or that power means should be used to swing it (A. O. B. 28). Defendant's position seems to be that patent claims are indefinite if they do not repeat, *in toto*, the sum and substance of the patent specification and drawing.

Since "it is fundamental that claims are to be construed in the light of the specification and both are to be read with a view to ascertaining the invention"



*United States v. Adams*, 86 S. Ct. at page 713, the benefit of this fundamental proposition cannot be denied to Lugash, as defendant argues (A. O. B. 28). Note, moreover, that three pages later in its brief (A. O. B. 31), defendant relies on this proposition on behalf of prior art.

Lugash's claims clearly and definitely define a combination of functionally related elements. Claim 8, for example, is easily parsed into the form set out in Finding 7 [R. 664]. There is clearly defined an assembly of mechanical parts in certain relationships to one another and with specified movements. Now in *United States v. Adams*, *supra*, the claims omitted all mention of the essential element of an electrolyte, but the claims were upheld. In *Diamond Rubber Co. v. Consolidated Rubber Tire Co.*, 31 S. Ct. 444, the combination claim at issue set forth a combination of elements but omitted all mention of "tipping power", an important issue in the suit. The claim was upheld. Thus, patent claims can be valid in omitting an element and omitting functions of elements. *A fortiori*, Lugash's claims are valid. No essential element is omitted and the interrelationship of the parts is clearly defined along with their movements.

"We are directed to *Goodman v. Super Mold Corp. of California*, 103 F.2d 474 (9th Cir. 1939), as authority for the proposition that a claim is invalid unless it teaches the entire machine. We do not so read that case".

*Pursche v. Atlas Scraper & Engineering Co.*, *supra*, 300 F. 2d 467 at pp. 475, 476.

As *Pursche* says, a claim need not include all novel elements in a machine.

In *Graham v. Deere* and *United States v. Adams*, the Supreme Court reaffirmed the validity of its precedents regarding patentability of combination inventions. In the case at hand, it is true that Lugash made a new combination of functionally related elements having new modes of operation, producing new and useful results, and constituting a marked advancement in the useful arts. These *facts* are beyond challenge in this court in view of defendant's failure to try to show a lack of substantial support for them.

The trial court applied the correct legal criteria, including precedents of this court, after acquiring first-hand knowledge of the facts as a result of an extensive trial. Such cases of this court as, for example, *Pursche v. Atlas Scraper & Engineering Co.*, *supra*, are of controlling application here to uphold Lugash's new combination in which as the court found, the results are the product of the combination and not a mere aggregate of several results.

Under these circumstances, "it must be conceded that a new combination, if it produces new and useful results, is patentable, though all the constituents of the combination were known and in common use before the combination was made". *Hailes v. Van Wormer*, 87 U. S. 353, 368 (1873).

II.

**For Inventive Thought, Creating a New Combination With New Functions and Results, Protection Should Be Accorded to Lugash for Significantly Advancing the Useful Arts.**

“In every case, the idea conceived is the invention. Sometimes . . . a series of experiments is necessary to develop and perfect the invention. At other times, as in the case under consideration, . . . the invention may be reduced to paper in the form of an intelligible drawing, when nothing more is necessary than the preparing of patterns and working drawings, and the embodiment of the original idea in a machine constituted accordingly . . .”

*Gill v. United States*, 160 U. S. 426, 434.

The court found that it was a simple matter for defendant, having knowledge of Lugash's patent and commercial devices, to convert a tailgate loader into the infringing Folda-Lift [Find. 25, R. 669]. The court correctly recognized however that this was not persuasive or any evidence of obviousness. More significantly, the simplicity of this conversion was recognized as not negating the quality of Lugash's conception as a marked advance in this art. Once Lugash's conception was known, of course it was a simple matter to make such conversion.

“‘. . . The conception of the invention consists in the complete performance of the mental part of the inventive act. All that remains to be accomplished, in order to perfect the act or instrument, belongs to the department of construction, not invention.’”

*Bac v. Loomis*, 252 F. 2d 571, 576 (C.C.P.A. 1958).

This principle is well established in our circuit. As examples, attention is drawn to *Pursche v. Atlas Scraper supra* and *Patterson-Ballagh Corp. et al. v. Moss et al.*, 201 F. 2d 403. Supreme Court standards with respect to this point are shown, for example, by *Goodyear v. Ray-O-Vac*, 321 U.S. 275, 64 S. Ct. 593; *Eibel Process Co. v. Minnesota & Ontario Paper Co.*, *supra*; and *Hobbs v. Beach*, 180 U.S. 383, 21 S. Ct. 209. The latter case is particularly pertinent. It points out that if a worker of ordinary skill in the art, having the prior art before him, makes a combination not suggested by that prior art, he may thus be converted into an inventor. The court said

“‘Would the thought enter the mind of the skilled mechanic with the Dennis and York device before him on his workbench; and if it did, would it not be a creative thought whose presence would convert the mechanic into an inventor?’ ” 21 S. Ct. at 413.

Defendant's position in calling the Lugash device a “backward step”, rather convincingly shows the high order of Lugash's conception, which is the invention. Implicit in defendant's argument is the admission that the level of ordinary skill in the art, obsessed as it was with the idea of tailgates, would never have come upon Lugash's conception of a combination of parts functionally related for both loading and stowing purposes. The only loaders previously to come into commercial widespread use were tailgate loaders [Find. 24, R. 668], whose devisors were patentwise [Tr. 605-610]. These tailgate loaders were on the market for decades and yet, as the court found, it never occurred to any one of

these patentwise experts or their companies to create the combination of the Lugash patent.

“This very fact is evidence that the man who discovered the possibility of their adaptation to this new use was gifted with the prescience of an inventor. While none of the elements of the Beach patents—taken separately or perhaps even in a somewhat similar combination—was new, their adaptation to this new use and the minor changes required for that purpose resulted in the establishment of practically a new industry and was a decided step in advance of any that had theretofore been made.”

*Hobbs v. Beach*, 180 U.S. 383, 392, 21 S. Ct. at 413.

And now the industry has the Lugash Tuk-A-Way loader, which is not only displacing tailgate loaders in some freight business [Tr. 34], but which is also creating a market for power loaders in the truck rental business, which had scarcely been penetrated by tailgate loaders [Tr. 49, 50-54], after decades.

We do not mean to detract from the prior commercial significance of tailgate loaders, for

“This is not a case where a single inventor preceded all the test and struck out something which underlay all the others. It is one of the great majority of cases involving patents in which progress in the art has been made step-by-step, and many have discovered and patented methods and combinations to accomplish the desideratum. It is a just and equitable rule that where several inventors, as in this case, Ingalls, Phillips and Hunt and Christy, and many others, have formed and

patented different combinations which accomplish the desired result with different degrees of operative success each should be protected in his own combination so long as it differs from those of his competitors and does not include theirs. Christy's mode of operation and combination fall far within this rule, *and they are more entitled to protection than those of the other inventor because they constitute the best and the most useful boxcar loaders*; and, while others may be permitted to make use and sell their patented combinations, *they ought not to be allowed to appropriate that of Christy.*" (Emphasis added.)

*Ottumwa Box Car Loader Co. v. Christy Box Car Loader Co.*, 215 F. Rep. 362, 376 (C.A. 8, 1914).

### III.

#### **Defendant's Spontaneous Appraisal of Lugash '227— the Newest Idea in Mechanized Loading With All of the Advantages but None of the Disad- vantages of the Prior Art—Is Strong Evidence of Invention.**

On the whole record, not one material statement of alleged fact employed in defendant's "backward step" argument (A. O. B. 43-45) is accurate.

First, it never was plaintiffs' position that the Lugash device could or should serve as a tailgate. He avoided that obsession of his predecessors. What defendant characterizes as an "admission" of "failure" of Lugash to do so is mere rhetoric. Here, as elsewhere, defendant characterizes as "admissions" matters about which there was no dispute at the trial.



Second, defendant extensively bases argument on its Exhibits AD and EG, neither of which is prior art. Of Exhibit EG, defense counsel said “It is obvious this exhibit is not prior art” [Tr. 402, lines 18, 19]. Exhibit AD is undated and no foundation was laid for it in point of time [Tr. 510, lines 12-18].

Next, defendant asserts that the Anthony Dropleaf of Exhibit AD and the Daybrook D.A. of Exhibit EG folds to an out-of-the-way position *beneath* the vehicle. This assertion, based on exhibits which are not prior art, is made repeatedly (A. O. B. 8, 13, 26, 44). *The exhibits nowhere say or show this.* As for the device itself, defendant’s president said on cross-examination that he couldn’t recall ever operating it [Tr. 512]. Nevertheless, he felt at liberty to speculate that when the platform is hanging vertically that the lower edge would swing back and forth and thus, perchance, one *edge* of the platform might go beneath the vehicle [Tr. 614]. He admitted that the upper edge of the platform, flush with the truck bed, cannot be beneath the truck bed [Tr. 614].

Defendant’s present position with regard to the dropleaf idea is inherently illogical. The dropleaf tailgate isn’t even out of the way for dock loading. It has to be operated to drop the tailgate into dropleaf position. This is lauded by defendant as a useful function of this tailgate for dock loading purposes (A. O. B. 44; Tr. 815, lines 17-23]. On the other hand, when plaintiffs’ Tuk-A-Way loader is in the stowed position, defendant calls it useless and a backward step. Indeed, Lugash’s loader patent is so useless that defendant has sold over one-half million dollars worth of these useless infringing devices [Ex. 20].

Defendant's position with respect to the dropleaf type of tailgate loader is about as firm as quicksilver. On appeal, defendant relies on this heavily. At the trial, defendant's patent expert, also a man of skill in this particular art, thought so little of it that he never took the trouble to see a device of this type [Tr. 814, line 24-815, line 2]. A dropleaf tailgate is in the prior art, but only to the extent of the Roberts patent [Ex. D] which was cited against Lugash '196—the improvement patent. This expert thought so little of Roberts as prior art that he didn't "seriously" study it as it wasn't "real important" [Tr. 815, lines 3-8].

All that remains now to be considered of defendant's allegations of fact regarding its backward step argument is the assertion that a user of the Lugash device has to put additional separate gates on the back on his truck but that such gates are not necessary with tailgate loaders (A. O. B. 44, 45). *Defendant's* own exhibits show no less than eight separate instances of a truck equipped with a tailgate *and* also equipped with something in front of the tailgate acting as the tailgate and wholly defeating the tailgate purpose of the tailgate loader [Ex. AB; Ex. AC, pp. 4, 6; Ex. EG, pp. 1, 2, 10, 19, 20].

If we are to depart from the record as defendant has, trucks equipped with tailgate loaders can be seen travelling along our streets and highways, every day, frequently having van doors, scissors link fences, or chains closing the rear end of the truck and rendering the tailgate platform *useless* for tailgate purposes. Contrary to defendant's position, the truth of this is evident from testimony of Mr. Grasse which defendant chose to ignore in quoting other parts of his testimony. Defend-



ant says a user of the Lugash invention is put to the added expense of acquiring a tailgate (A. O. B. 43). The fact is, as Mr. Grasse said, that a truck comes equipped with gates—"we have the original gates which came with the truck" [Tr. 62, lines 1-2].

**An Infringer May Not Deny the Utility of the Invention  
He Has Copied.**

While not so phrased, the defendant's backward step argument is an attack on the utility of the Lugash patent. An infringer is not at liberty to make this argument.

"The fact that it has been infringed by defendants is sufficient to establish its utility, at least as against them."

*Lehnbeuter v. Holthaus*, 105 U.S. 94, 96.

Defendant has not specified any alleged error with respect to Finding 12 [R. 665] that before defendant's infringement commenced, defendant's president knew of plaintiffs' Tuk-A-Way model and of Lugash patent '227. Defendant rejected the dropleaf tailgate in favor of Lugash '227 [Tr. 527-528]. As we have shown, and contrary to defendant's argument, the dropleaf tailgate cannot be folded out of the way or *beneath* the vehicle. It is a tailgate and all such must be operated at every stop irrespective of any requirement for its actual use in handling freight [Tr. 817] and before any dock loading can be done. At best, and *only* for purposes of dock loading, the tailgate can be pivoted to a hanging position in which it must still be run over by heavy tow motors and fork lift trucks [Tr. 815-817]. The device cannot be stowed, it must travel with the platform in the upstanding tailgate position. On cross-examination,

defendant's president attempted to evade admitting clear advantages of the Lugash concept over the dropleaf tailgate loader but was ultimately forced by the court to do so [Tr. 534, line 1-537, line 12].

The defendant's position is like that of the infringer which was rejected in *Diamond Rubber Co. v. Consolidated Rubber Tire Co.*, 220 U.S. 428, 31 S. Ct. 444 at page 450. Here, the defendant Santa Anita uses the Lugash patent, not the Roberts' dropleaf patent, which it rejected as a possible alternative. Such use by the defendant is a strong concession to the advance of Lugash beyond the prior art and of its novelty and utility.

"It gives the tribute of its praise to the prior art; it gives the Grant tire the tribute of its imitation, as others have done."

*Diamond Rubber Co. v. Consolidated Rubber Tire Co.*, *supra*, 220 U.S. 428, 31 S. Ct. 444 at 450.

Lugash's loader is so "useless" and "backward" that defendant advertised its infringing Folda-Lift device as "having all of the advantages of conventional tailgates with none of the disadvantages" and that, although out of the way, it is nevertheless "immediately available for use" and further, that the concept is "The Newest" idea in mechanized loading [Exs. 9, Y; Tr. 614-618].

Defendant, by "converting" its tailgate loader to the infringing Folda-Lift thereby renders the platform useless for tailgate use. This is surely a convincing demonstration of the true value of Lugash's advance of the art.

"Finally counsel assail the validity of Christy's patent on the ground that there was no invention

in the production of the principle and combination it discloses; that any mechanic skilled in the art could have conceived and produced them. But the record and the fact that Phillips and Hunt, officers of the defendant and inventors of the scraper devices patented to them in 1896 and 1899, men who have been engaged for more than 15 years in searching for the best device to load box cars, have lately mounted in the sides of their old trough in place of their scraper the steel cross-piece carrier of Christy with its upstanding partitions, *and have thereby rendered the bottom of their trough useless*, have convinced us that Christy's patent combination is the most efficient and economical box car loader yet produced." (Emphasis added).

*Ottumwa Box Car Loader Co. v. Christy Box Car Loader Co.*, 215 F. Rep. 362, 375.

Distorting the facts, defendant argues a backward step. On the basis of a first hand knowledge of the evidence as a whole, the court found that Lugash '227 is a marked advance in the art and entitled to a liberal construction. Of these mutually exclusive propositions, we submit that the court's conclusion is correct.

"In the case before us, for the reasons we have already reviewed, we think that Eibel made a very useful discovery, which has substantially advanced the art. His was not a pioneer patent, creating a new art; but a patent which is only an improvement on an old machine, may be very meritorious, *and entitled to liberal treatment*". (Emphasis added).

*Eibel Process Co. v. Minnesota & Ontario Paper Co.*, 261 U.S. 45, 63, 43 S. Ct. 322, 328.

IV.

**The Trial Court's Careful and Thorough Inquiry Into the Facts Strengthens the Presumption of Validity. The Mere Fact That Art Showing One Element Was Not Cited Is Not Evidence of Its Pertinence to the Lugash Combination.**

“The presumption of a patent's validity, which arises from its issuance by the Patent Office, is strengthened by the finding of validity by the District Court”.

*Neff Instrument Corporation v. Cohu Electronics, Inc.*, 298 F. 2d 82, 87 (C.A. 9, 1961).

Defendant argues that “the trial court erred in giving significance to the presumption of validity of the Lugash '227 patent” because of the rule in *Jacuzzi Bros., Inc. v. Berkeley Pump Co.*, 191 F. 2d 632, 634 (C.A. 9, 1951), that even one prior art reference, which has not been considered, *may* overthrow the presumption of validity. Here, defendant has misconstrued the trial court's opinion, the effect of the statutory presumption involved, and the holding in the rule of *Jacuzzi*.

Let us assume, *arguendo*, that defendant's prior art was more pertinent than that considered by the Patent Office. From this, it does not follow, as defendant contends, that the statutory presumption of validity is automatically overthrown (A. O. B. 20-25).

“Appellants' contention appears to misconstrue the presumption involved. The rule is that the presumption always applies, but when it is shown that the Patent Office did not have prior patents before it, such patents may rebut the presumption of validity. This depends, of course, upon whether the

undisclosed prior patents are substantially the same as the later patents in question. Thus, at the outset the presumption is still applicable. It remains to be seen whether that presumption has been rebutted by an undisclosed and significant prior patent. *We think as indicated by the Trial Court that consideration of the illustrative drawings of the Martin patent should leave anyone unconvinced of substantial similarity of the Martin patent with Appellees' patent*". (Emphasis added).

*Beatty Safway Scaffold Co. v. Upright, Inc.*  
(C.A. 9, 1962), 306 F. 2d 626, 628, 629.

In *Beatty*, the more pertinent Martin patent was held not to rebut of the presumption of validity because of the lack of the requisite substantial similarity. And in *Neff Instrument Corporation v. Cohu Electronics, Inc.*, *supra*, where the court said: "But defendant presents few more *pertinent* references to prior art than were considered by the Patent Office" (emphasis by court) 298 F. 2d 86, the patent in suit was upheld. Obviously, defendant's plea for a mechanistic application of the rule of *Jacuzzi* is improper and this court has expressly said of such contention "we disagree". *Whamo Manufacturing Co. v. Paradise Manufacturing Co.* (C.A. 9, 1964), 327 F. 2d 748, 749. That the Examiner in the Patent Office did not cite against Lugash '227, a prior art loader having an invertible platform does not affect the presumption of validity of the Lugash *combination*. Non-citation of such art does not even mean that the Examiner failed to consider such art.

*Davis v. Buck-Jackson Corporation*, 138 F. Supp. 908, 913 (E.D. N.C. 1955);



*United States Pipe & Foundry Co. v. James B. Clow & Sons*, 205 F. Supp. 140, 152 (N.D. Ala. 1962);

*Elgen Manufacturing Corp. v. Grant Wilson, Inc.*, 285 F. 2d 476, 479 (1961);

*Detroit Appliance Co. v. Burke*, 4 F. 2d 118, 122 (1925).

Defendant charges that the trial court “completely ignored” the rule of *Jacuzzi* (A. O. B. 24). Why then did the trial court make such frequent reference to “non-cited” art in its opinion [R. 563, lines 3-4; 564, lines 19-21; 566, lines 6-7; 567, line 25-568, line 2; 569, lines 3-4; 570, lines 21-29]. Does defendant mean that the trial court completely ignored the portions of both plaintiffs’ and defendant’s post-trial briefs regarding the point? [R. 432-434, 486-492]. On the contrary, the trial court paid scrupulous attention to this rule of law. The court understood and found that the Lugash ’227 patent claims a combination of functionally related elements having new modes of operation leading to new results [Finds. 6, 7, 8, R. 663-664], none of which were suggested by the cited or non-cited prior art singly or in any combination [Find. 18, R. 667]. The trial court properly applied the law as indicated by *Beatty*, i.e., upon consideration of the prior art tailgates and lever loaders relied on by defendant, of which the most that could be said is that it showed the element of an invertible platform, this would leave anyone unconvinced of substantial similarity of that prior art with the Lugash combination of functionally related ele-



ments. Lugash has a different kind of loader — the first practical power loader that can be stowed.

Against the statutory presumption of validity, on what prior art did defendant rely to sustain its burden of proof? First, let us consider the group comprising non-cited Shadbolt '822, Ducondu '011 and Ducondu '473. These are the specific subject of Finding 23 [R. 668] to the effect that they are primitive devices, only manually operable and erectable by disassembly and reassembly and not disclosing the combination, structure, functions of parts, modes of operation or results of the Lugash generic patent. Defendant has not specified any alleged error in this finding and so has abandoned reliance on these as prior art, notwithstanding defendant's reference to these patents in its brief (A. O. B. 34, 43).

Next, there are the dropleaf tailgates of defendant's Exhibits EG, AD and the Roberts patent of Exhibit D. Defendant's brief makes frequent and extensive references to the Daybrook D. A. of Exhibit EG and the Anthony Dropleaf of Exhibit AD, all of which is worthless as neither of these exhibits is prior art. Defendant's brief nowhere bases this line of argument on the Roberts patent of Exhibit D, which is prior art, but of which we should remember that defendant's expert thought it of so little value that he didn't seriously study it as it "wasn't important" [Tr. 815, lines 3-8].

What remains available to defendant as prior art on this appeal is Novotney '403, Jester, Narvestad, Wood

'135 and Peters, as prior art patents, and the defendant's prior conventional tailgate loaders.

Manifestly, the validity of Lugash '227 turns on the facts. *Graham v. Deere*, 383 U.S. 1, 86 S. Ct. 684, 687. With regard to the patents remaining available to defendant, their scope and content as prior art and the difference between that prior art and Lugash '227 claims at issue were sharply contested issues of fact. The court made Findings 6-8, 10, 11, 15-22 regarding what this prior art was and what Lugash did to improve upon it [R. 663-668]. These are technical facts stated in these findings.

The findings are contrary to the alleged evidentiary facts stated by defendant in its brief regarding the Lugash patent in suit, Novotney '403, Peters, Narvestad and Jester and other prior art. Additionally, plaintiffs dispute the inferences which defendant seeks to draw from its misstated facts. Under these circumstances, expert testimony is necessary to a fact determination by a court. *Empire Electronics v. United States*, 311 F. 2d 175 (C.A. 2, 1962). Accordingly, this court cannot adopt defendant's version of those disputed facts without assuming the role of a trial court, which this court would not do even if all of the proof was merely documentary. *Hycon Manufacturing Co. v. H. Koch & Sons* (C.A. 9, 1955), 219 F. 2d 353, 354.

V.

Lugash '227 Teaches and Claims a Combination of Functionally Related Elements for Stowing and Loading Purposes Which, Under Controlling Precedent of This Court, Is Not Anticipated or Rendered Obvious by a Prior Combination of Elements Not Producing the Same Result.

Defendant refers the court to its Exhibits AM-1 and AM-2. Each has a Figure 1 and a Figure 2, labeled as Novotney '403, but *neither* of those figures is actually taken from the Novotney patent. Defense counsel has omitted all mention of this fact which he admitted at the trial regarding Figure 2 [Tr. 750-751]. Further, defendant's patent expert testified on cross-examination:

"I wouldn't want to assume anything about Novotney that isn't shown in the patent. That is a patented structure and I don't know about the hardware itself." [Tr. 783].

Defendant's brief has done precisely what defendant's patent expert rightly said should not be done, because "when it is sought by means of prior patents to ascertain the state of the art, 'nothing can be used except what is disclosed on the face of those patents. . . .'" *Mohr v. Alliance Securities*, 14 F. 2d 799, 800 (C.A. 9, 1962). Defendant's Exhibits AM-1 and AM-2 show Novotney's platform inverted over his parallelogram linkage system, despite the admission of defendant's expert that no prior patent showed any such combination [Tr. 786-787]. Only Lugash shows it. Defendant argues

that Novotney '403 "irrefutably" "shows" or "teaches" or "describes" a platform that can be inverted over a parallel rule linkage system (A. O. B. 27, 29, 31) ignoring that both its experts were forced by the court to admit that this is not so [Tr. 483-486, 779]. Defendant says Novotney teaches "the same combination for the same purpose" (A. O. B. 27) when Novotney, titled "End Gate Loader", is totally silent on any aspect of a stowable loader.

A sharp distinction must be made between what is actually disclosed by Novotney '403 and the defendants testimony thereon. Applicable principles of law require such a distinction *Mohr v. Alliance Securities Co., supra*. The trial court closely distinguished the actual disclosure of Novotney and defendant's expert's "argument" thereon [Tr. 786]. It is in this context that the court properly and correctly found "nothing in Novotney '403 suggests that he intended or appreciated any inversion of a load platform over a parallelogram linkage system" and that "inverting of the platform over the parallel linkage system is not inherent in Novotney '403". [Finds. 16, 17, R. 666]. This court has recently reaffirmed that:

"Anticipation is strictly a technical defense. Unless all of the same elements are found in exactly the same situation and united in the same way to perform the identical function in a single prior art reference there is no anticipation."

*Walker v. General Motors Corp.*, .... F. 2d ....,  
149 U.S.P.Q. 472, 473 (C.A. 9, 1966).

Bearing in mind the distinction between what Novotney actually fairly discloses and defendant's argument, Novotney is worthless as an anticipation. It is only a tail-gate like those cited by the Patent Office.

The court found "it is mechanically *possible* to invert the platform in the said Novotney device but not with substantially the same result as in plaintiffs' patent '227" [Find. 16, R. 666]. This is only half right, *i.e.*, it is not possible, as a matter of fact, to invert the platform in Novotney with the structure actually disclosed. On the other hand, assuming *arguendo*, that such inversion were possible, it is nevertheless true, as the court found, that it would not be with substantially the same result as in Lugash patent '227.

Obviously, for the platform of Novotney '403 to be able to invert it would have to have the right kind of hinge means [Tr. 893, 894]. Although Novotney does not say to do so, let us assume that it is desired to invert this platform. His structure, without alteration, prevents it [Tr. 892-898].

The platform 9 of Novotney '403 is connected to a pair of yokes 8, shown in Figure 3 (not to the parallel linkages). These yokes have slots in the upper ends of one arm. Referring to Figure 1, there is a hinge pin, unnumbered, interconnecting the platform and the yokes.

No portion of Novotney '403, in the specification or drawing, discloses the configuration of *any* parts disposed in the yoke slots and interconnecting the end gate 9 and the yokes by means of connection to the unnumbered hinge pins. Although defendant's expert speculated that there "would be some sort of a lug" going from the platform into the slots of the yoke, it was

conceded by defendant and recognized by the trial court that no lug configuration is shown [Tr. 777, lines 17-779, line 5] and this is “crucial” [Tr. 892]. Further, there is absolutely no disclosure of what the shape of the floor of the slots in the yokes 8 actually is and only one end of the slot can be seen.

Defendant’s Exhibit AO-6 is a photographic enlargement of Figures 1 and 2 of Novotney ’403. Defendant did not enlarge Figure 3 of this patent. As we think this omission is significant, such an enlargement was attached as an exhibit to plaintiffs’ trial brief [R. 482]. It shows that the configuration of the visible end of the yoke slot actually provides an abutment preventing inversion of the platform 9. Red dotted lines have been added to the figures to make this point more clear.

Referring to the enlargement of Figure 3 of Novotney, the upper edge of the brace 11 is located in a plane beneath the bottom of the visible end of the slot in the yoke 8. The red dotted outline is an extension of the plane of the upper edge of the brace 11 and intersects the yoke distinctly below the level of the only visible end of the slot bottom. The hole to receive the hinge pin for the platform appears to be at about the same level as the slot bottom at the visible end of the slot. Now, although defendant’s patent expert rightly says that we shouldn’t assume anything about Novotney that isn’t shown in the patent, let us assume that Novotney has lugs extending into the slots, as he did. The upper edge of such lugs turning on the hinge axis and coming into contact with the visible end of the slot bottom, prevents raising beyond a vertical position. Platform inversion is not mechanically possible with the visible geometry of the Novotney ’403 device.



Defendant claims for Novotney a power of platform inversion as to which the patentee himself is silent, as the trial court found. So, too, the infringer in *Diamond Rubber v. Consolidated Rubber Tire* claimed that if “tipping power existed in the Grant patent [in suit] it existed in prior patents”, 220 U.S. at page 437, where both the Grant patent and the prior art were silent on “tipping power”. The Grant patent was upheld by the Supreme Court. *A fortiori*, as Lugash clearly teaches what Novotney was clearly silent about and ignorant of, he is entitled to the protection of his patent.

In the first place, there is no evidence that Novotney devices, commonly available in the market, brought about Lugash’s result and, in the second place, if Novotney did so under unusual conditions, accidental results not intended and not appreciated do not constitute anticipation. *Eibel Process Co. v. Minnesota & Ontario Paper Co.*, 261 U.S. 45 at page 66. “The law requires that inherency may not be established by possibilities or probabilities. The evidence must show that the inherency is necessary and inevitable”. *Interchemical Corp. v. Watson*, 145 F. Supp. 179, 182. The trial court was correct in finding that inversion is not inherent in Novotney consistent with *Application of DeJarlais*, 233 F. 2d 323, 329 (C.C.P.A. 1956); *Wasberg v. Ditchfield*, 155 F. 2d 408, 411 (C.C.P.A. 1946); *In re Thatcher*, 150 F. 2d 572, 574 (C.C.P.A. 1945); *Application of Filstrup*, 251 F. 2d 850, 853 (C.C.P.A. 1958); and *Lighthall v. Watson*, 175 F. Supp. 258, 259 (D.C. 1959).

If such mechanical inversion were a possibility, then why did not defendant bring in a Novotney ’403 commercial device, *i.e.*, an Anthony loader, before the court?

Defendant's president saw them [Tr. 608-610]. Because he admitted that he never saw *any* Anthony devices in which the platform could invert over the parallelogram linkage systems [Tr. 610]. As shown by defendant's evidence, Mr. Novotney has been a patent-wise worker in this field and has several tailgate patents [Ex. D, Novotney '993, '424]. Novotney patents were "the biggest thorn in [the] side" of defendant's patent expert when he was prosecuting patent applications on tailgate loaders [Tr. 783]. Surely, it stretches credibility to argue that patent-wise Mr. Novotney, seventeen years before Mr. Lugash, actually made the Lugash invention but didn't bother to describe it or claim it. The Supreme Court said of a like argument that such hypothesis is "inexplicable". *Loom Company v. Higgins*, 105 U.S. 580, 595.

Lugash was an innovator, not a follower. *Pointer v. Six Wheel Corporation*, 177 F. 2d 153, 161 (C. A. 9, 1949). As regards the Lugash concept, Novotney was a follower and not an innovator. On March 9, 1965, the day the trial of this action started, Mr. Novotney had issued to him Patent No. 3,172,549, entitled "Tuck-Away Tailgate", and against his patent Lugash '196 is cited as a reference. The Anthony Company, for whom Mr. Novotney invents, did not introduce its stowable loader until years after the patented Lugash loader had been introduced to the market [Tr. 539].

VI.

The Only Possible Way to Make Lugash '227 Out of the Prior Art Is to Reconstruct Defendant's Proposed Combinations of Patents in the Light of Lugash, in Violations of Rulings of This Court.

Assume, *arguendo*, that Novotney had the requisite hinge means. In other words, let us consider defendant's proposed combinations of Novotney '403 with prior patents such as Narvestad, Peters or Jester, showing invertible platforms on lever arm loaders. In so doing, it should be remembered that the concept of such combination is not found in the prior patents themselves [Find. 18, R. 667]. The resulting device still could not be moved into tucked away position. The Novotney '403 platform, over the yokes 8, would hit the lower edge of the rear cross-piece D of the truck and could not enter under the bed of the truck. The inverted platform, assuming that it could invert, could not even be raised to such position as to strike the cross-piece D. Before rising to that position, the platform would contact the truck frame, unless, of course, one assumes [*e.g.*, Deft. Exs. Am-1, AM-2] that the platform is so small in the front to rear dimension as to be worthless for loading purposes. Moreover, the platform of Novotney is not pivotally connected to the parallelogram linkages. Instead, it is connected to the pair of yokes 8 which are provided by Novotney for the specific purpose of disposing the platform 9 rearwardly of the bed of the truck and to permit it to act as the end gate "against

the rear of the vehicle" (Novotney, p. 1, col. 2, lines 5-21). The yokes 8 of Novotney are rendered useless by defendant's proposed inversion of the platform, as plaintiffs' expert testified [Tr. 894].

Suppose we throw away Novotney's yokes 8 and attach the platform 9 to the parallelogram linkages. Then the platform is useless for loading purposes—it would be *prevented* from ever rising to the level of the truck bed because its upper face would be stopped by contact with the member D of the truck. Note should also be taken of the fact that in a tailgate loader such as Novotney's it is essential that when the parallel linkage arms are fully raised, that the platform can then be raised to a vertical position to close the rear end of the truck. By contrast, in Lugash's loader, when the lifting arms are fully raised with the platform disposed at the level of the truck bed, it is impossible to raise the platform at all. Note should also be taken of the difference when the device is in the lowered position. In tailgate loaders, and this is true of all of them, the platform cannot be raised upwardly at all from the horizontal position. In Lugash '227, the platform can, of course, and must be inverted into superposed position with respect to the lifting arms, thence to be raised into the stowed position.

Lugash discloses and teaches a combination of elements all of which are functionally related for both loading and stowing purposes; makes the power means an active element in both loading and stowing; utilizes the lifting arms both for loading and for stowing. Where is there a scintilla of suggestion of Lugash in Novotney, Peters, Jester, Narvestad, and all other prior art?

Except for defendant's reliance on Novotney, it should be so obvious as not to require any statement that Lugash's idea never dawned on Novotney in his '403 patent. There is absolutely nothing in Novotney '403 which would suggest the Lugash concept to any mechanic of ordinary intelligence *even* if he were examining it for that purpose. He would have to abandon, totally, the objectives of Novotney and eliminate the yokes 8, cut through the rear member D, lengthen the links 10, cut away interfering parts of the under carriage of the truck, move the braces 11 on to the vertical links 10 and then transfer the pivotal connection for the plate 9 on to the upper pivot point of the vertical links 10 [R. 444, 445]. It is illogical to suggest that Novotney '403 is anticipatory of a concept which entails a complete sacrifice of the objects which it was the object of the Novotney '403 patent to secure. Defendant's contention is precisely like that of the infringer in *Topliff v. Topliff*, 145 U.S. 156, 12 S. Ct. 825, where it was rejected. There the court said:

"It is true that one of the models of the [prior art] patent put in evidence (Exhibit M) does, by its particular construction in shortening the links and strengthening and stiffening the entire structure, show an equalization of the pressure upon the springs, *but it is accomplished by sacrificing the swinging movement backward and forward, which it was the object of the [prior art] patent to secure.* The duplicate of the model from the Patent Office contains no suggestion of this kind, nor do the other models of the same patent, offered in evidence. While it is *possible* that the Stringfellow and Surles patent might, by a slight modification, be made to



perform the function of equalizing the springs which it was the object of the Augur patent to secure, that was evidently not in the mind of the patentees, and the patent is inoperative for that purpose. Their device evidently approached very near the idea of an equalizer; *but this idea did not apparently dawn upon them, nor was there anything in their patent which would have suggested it to a mechanic of ordinary intelligence, unless he were examining it for that purpose.* It is not sufficient to constitute an anticipation that the device relied upon might, by modification, be made to accomplish the function performed by the patent in question, if it were not designed by its maker, nor adapted, nor actually used, for the performance of such functions.” (Emphasis added.)

*Topliff v. Topliff*, *supra*, 12 S. Ct. at 827, 828.

While it was error for the trial court to say that platform inversion is mechanically possible in Novotney, the court nevertheless reached the right result in rejecting it as an anticipation, consistent with *Topliff*, notwithstanding defendant’s charge that the trial court was “confused” (A. O. B. 31). As a matter of law, the court was correct in stating in its opinion that “it does not appear in the instant case that the inverting of the platform in the Novotney patent can be said to in any degree be the essence of the invention contained therein” [R. 564].

The trouble with defendant’s reliance on *Huston v. Buckeye Bait Corp.*, 107 U.S.P.Q. 138 is that the principle stated therein cannot be applied to a fact situation such as was before the trial court in this case. Defendant does not even accurately extract from the *Hus-*



ton case the facts about which it talks in its brief at page 31. Actually, the patents involved dealt with fishing floats—the turning movement of a float and not, as stated by defendant, the turning movement of a sinker.

The facts in the *Huston* case, on the basis of which that trial court found a turning movement was inherent in a prior art device are these. The inherence was demonstrated *not* from the disclosure of the prior art Olson patent itself. Rather it was shown by

“*experiments* performed in the courtroom during the trial disclosed that the float which is the subject of the Olson patent, No. 1,463,020, (defendant’s Exhibit LL) as well as others have this same mode of operation as claimed for claim 9 of the patent in suit. The tests show that this turning movement is accelerated as the weight of the spring is increased. Other factors, *none of which are described in the first Huston patent* [in suit], enter into this turning operation.” 107 U.S.P.Q. at page 140 (Emphasis added).

Thus, in *Huston*, the court had before it courtroom experiments, apparently performed on Olson floats, demonstrating the turning movement, and others as well. Secondly, the patent in suit itself did not disclose other factors which entered into the turning operation. Clearly, neither of these factors is present in our case.

First, we have already seen why defendant would not dare to bring in an exemplar of Novotney ’403 and demonstrate it in court at the trial of this action.

On the second point, Lugash and only Lugash ever disclosed to the art a platform invertible over a paral-

lelogram linkage system and the factors entering into such inversion. As defendant was forced to admit to the court, Novotney '403 is absolutely silent on any such inversion [Tr. 483, 779].

In *Huston*, the trial court found the turning movement inherent in the prior art. 107 U.S.P.Q. 141. In our case, the trial court found inverting of the platform not inherent in Novotney '403 [Find. 17, R. 666]. The court closely distinguished between the actual disclosure of Novotney '403 and defendant's witnesses' testimony thereon when they examined Novoteny '403 for Lugash's purposes, which purposes are nowhere disclosed in Novotney. It was because of defendant's testimony and not because of the disclosure of Novotney '403 that the court thought that any inversion could be mechanically possible in the Novotney device. The mechanical possibility, as we have shown, is factually wrong, but even if it were true, could not, as a matter of law, change the result here. *Topliff v. Topliff*, *supra*, 12 S. Ct. 827, 828. In the first place, there is absolutely no evidence that any platform inversion used before Lugash had brought about such result as that sought by him and in the second place, if it had done so under unusual conditions, accidental results, not intended and not appreciated, do not constitute anticipation. *Eibel Process Co. v. Minnesota and Ontario Paper Co.*, 43 S. Ct. 322, 329.

VII.

The Lugash Invention Was the First Practical Loader That Could Be Stored in an Out-of-the-Way Position Ever to Come Into Successful Use in the Trucking Industry, Having the Advantages of Previously Successful Commercial Loaders, but Without Their Disadvantages. Per se, This Is a Convincing Demonstration That the Differences Between the Prior Art and the Lugash Claims Are Beyond the Level of Ordinary Skill in This Art.

*A & P Tea Co. v. Supermarket Corp.*, 340 U.S. 148, and *Lincoln Engineering Co. v. Stewart-Warner Corp.*, 303 U.S. 545, are not apposite here. Indeed, the defendant's reliance upon these two cases points up the fallacy of the underlying premise of its case. Here, the Lugash loader is shown to embrace elements having an interdependent functional relationship for both loading and stowing purposes. It begs the question, and overlooks the holding of the Commissioner of Patents and the District Court, to state merely that parallel linkage systems and invertible platforms were individually known loader components. *United States v. Adams*, 86 S. Ct. 708. Defendant's experts admitted that the combination is novel. Lugash's is the *first* practical stowable loader [Find. 8, R. 664]. Accordingly, the controlling principle is that a new combination of elements, old in themselves, but which produce a new and useful result entitles the inventor to the protection of a patent. *Pursche v. Atlas Scraper & Engineering Co.* (C.A. 9. 1962), 300 F. 2d 467, 477.

Nor is the defendant's contention that the elements of the Lugash combination were mere substitutions of pre-existing loader designs supported by the prior art. If

that were so, it would follow that the resulting device—Lugash's—would have equivalent operating characteristics, but it does not. The court below found [Finds. 24, 26, 28, R. 668, 669] and the defendant's president admitted [Tr. 534-537] that the Lugash loader has shown valuable advantages over liftgate loaders, which were the only prior loading devices for trucks of any commercial significance [Find. 24, R. 668], while those from whom it is claimed to have been copied were discarded. Moreover, most of the loaders relied upon by the defendant were of a completely different type—they were lever-type loaders intended to tip over a load [Find. 22, R. 667, 668] and all of the prior art loaders relied on by defendant are characterized by total absence of functional relationship of the parts when not in use for loading. For these reasons, there cannot be any equivalency. *United States v. Adams, supra.*

In large parts, the foregoing is a paraphrase of pertinent language in the opinion in *United States v. Adams*, which is of controlling effect here. This also demonstrates two basic fallacies of defendant's position.

First, the error of defendant's attempt to treat Lugash as if the mere inversion of a platform were the single novel feature. Lugash's invention is the combination and not any one of its elements, all the elements of the combination being functionally interrelated for both loading and stowing purposes. Again paraphrasing *Adams*, "it is evident that (plaintiff's) present reliance upon this feature was not the after-thought of an astute patent trial lawyer". "The findings, approved and adopted by the (District Court), also fully support this conclusion".

Second, there is the fallacy of defendant's attempting to treat Lugash's claims as a mere aggregation. Where the District Court found that all of the elements of the Lugash combination are functionally related for both loading and stowing purposes [Find. 8, R. 664], defendant makes no attempt to demonstrate lack of support for these findings—instead defendant resorted to ridicule. Again paraphrasing *Adams*, "Here, however, the (Lugash loader) is shown to embrace elements having an interdependent functional relationship. It begs the question, and overlooks the holding of the Commissioner and the (District Court) to state merely that (parallel linkage systems and invertible platforms) were individually known (loader) components".

Defendant alleges that the findings do "not state a single reason why the combinations" of prior art patents relied on by defendant do not make Lugash's combination obvious (A. O. B. 17). As a try at shifting the burden of proof to plaintiffs, we ignore this. The fact is that Findings 6-8, 10, 11 and 15-23 clearly state what the prior art was, what Lugash did to improve upon it, and the total absence in the prior art of any suggestion of Lugash's combination, functions and results.

Then, defendant says that the findings "are *all* directed to" sub-tests of commercial success, etc. (A. O. B. 17). Obviously, this charge of defendant cannot be squared with the presence of Findings 6-8, 10, 11 and 15-23.

Next, defendant charges that its witnesses' testimony on obviousness was uncontradicted and was ignored by the trial court (A. O. B. 39-41). The fact is, that plaintiffs expert testified that *all* of defendants 27 prior

art patents are silent on Lugash's combination, the functions of its elements and results [Tr. 879, 880] and defense counsel never cross-examined him on the point. The court recognized it was dealing with conflicting expert testimony on obviousness. The court said, "The experts are helpful in these things, I can tell you, but they naturally are opposed when it gets down to what is obvious" [Tr. 903, lines 3-5]. Plaintiffs' cross-examination of both of defendant's experts regarding, *one*, the scope and content of the prior art; *two*, the differences between the prior art and the claims at issue, and *three*, the level of ordinary skill in the pertinent art are the subject of hundreds of pages of transcript [Tr. 493-617, 761-826]. These three basic factual inquiries are "necessary to a determination of Section 103—obviousness". *Walker v. General Motors Corp.*, .... F. 2d ...., 149 U.S.P.Q. at 474 (C.A. 9, 1966). Surely, defendant will not deny that it was the function of the trial court to make the ultimate finding of non-obviousness, no matter what either side's expert said on the ultimate question. Really, defendant's complaint is that its experts' testimony did not produce conviction in the trial court's mind. "Such a complaint from the losing side of the lawsuit is as old as the acceptance of expert testimony itself". *Continental Connector Corp. v. Houston-Fearless Corp.*, *supra*.

Defendant contends it is obvious to combine two references in a way which defeats the objects of each of the two reference patents. Defendant contends that where



there are two patents, neither of which has the slightest suggestion of combining the features of the two, a person of ordinary skill in the art would make such combination. The law is otherwise. *Temco Co. v. Apco*, 275 U.S. 319, 327, 48 S. Ct. 170, 172, 173; *Hobbs v. Beach*, 180 U.S. 383; *Application of Bergel* (C.C.P.A. 1961), 292 F. 2d 955, 956. Furthermore, there is no possible combination of references which could be made in this case which could achieve Lugash's combination of elements functioning in the same way to achieve the same result.

Consider defendant's proposed combination of Novotney '403 and Narvestad, Peters or Jester. Clearly, the suggestion for such combination cannot arise out of Novotney '403 because, as we have already pointed out, that would entail sacrificing the tailgate function which it was the object of the Novotney '403 patent to secure. Equally clear is the fact that the suggestion of inverting a platform over a parallelogram linkage system cannot possibly rise out of Narvestad *et al.* as that would sacrifice the load tipping action which it was the object of the Narvestad *et al.* patents to secure [Find. 22, R. 667, 668]. As there is no suggestion in either patent of making the proposed combination, they cannot render the Lugash combination obvious. *Temco v. Apco, supra*. And so we see the accuracy of the trial court's Finding of Fact that "the prior art patents relied on by defendant, taken alone or in any combination, do not provide any teaching or disclosure that can be considered to ren-

der the combination claimed in the Lugash '227 patent obvious or apparent to those skilled in the art" [Find. 18, R. 666, 667].

The combinations of prior art argued by defendant cannot work because they would never achieve Lugash's combination of an invertible platform pivotally connected to the parallel linkage system and without interfering structure that either

1. Prevents raising the inverted platform to stowed away position (Novotney '403, Wood '135)
2. Places the hinge away from, not on, the lifting arms (Narvestad, Novotney '403), or
3. Prevents inversion of the platform without disassembly of the lifting arms (Jester) or of the platform (Peters).

In these combinations of prior art, if one eliminates the interfering structure (*e.g.*, Novotney '403 yokes 8; Narvestad posts 24) to try to make the platform hinged to the arms and/or to invert the platform, the prior patentees' original objectives are totally defeated *and* the device is rendered useless for loading.

*Temco v. Apco* is very much in point. There, as here, there was involved the contention of an infringer that "it may be *possible* to show how, by *turning over on its back* the specified device, the torsional spring could be made partly and ineffectively to perform this function, but as described in this or other cited patents, there *is no suggestion or recommendation of the arrangement in Thompson's*". 275 U.S. at page 327, 48 S. Ct. at pages 172, 173 (emphasis added). That patent in suit was upheld—as should be the Lugash patent here for the first successful loader of its kind.

Now, as the trial court said in its opinion, “nor does [Novotney ’403] or any other prior art patent do substantially the same work in substantially the same manner” as Lugash [R. 563, lines 7-9]. And in discussing the defendant’s proposed combinations of prior art, the court concluded “the fact that the old elements had been combined in some examples of prior art does not render the invention of Lugash ’227 obvious, since ’227 produced novel and inventive features over the prior art” [R. 567, lines 6-11]. The point is that the fact issues regarding various combinations of prior art, which defendant now proposes to try in this court, have already been tried and found wanting. After trial, the court saw and found that no possible prior combination of prior art will work to reach the results of Lugash ’227.

“This is a result that no other prior invention had ever reached. The fact that the Swift combination *worked* and gave an accurate depth measurement, while none of the prior devices had, is an indication of inventiveness. *Twentier’s Research, Inc. v. Hollister, Inc.*, 9th Cir., 319 F.2d 898, 138 U.S.P.Q. 473.” (Emphasis added).

*McCullough Tool Co. v. Well Surveys, Inc.*, 343 F. 2d 381 at page 393 (C.A. 10, 1965).

That is the situation here. No prior device ever worked for and achieved Lugash’s results. “*It works*. None of the prior devices did. . . . This result is sufficiently ‘new’, ‘unusual’ and ‘surprising to indicate inventiveness [i.e., non-obviousness]’”. (Emphasis by Court).

*Twentier’s Research, Inc. v. Hollister, Inc.*, 319 F. 2d 898, 902 (C.A. 9, 1963).

Lugash has “—something which is the law of its organization and function, and raises it above mere aggregation of elements to a patentable combination”. *Diamond Rubber Co. v. Consolidated Tire Co.*, *supra*, 220 U.S. at 442.

Defendant has unconsciously put itself in a dilemma. Is it not anomalous that defendant argues various combinations of prior art would be obvious when, also according to defendant, the Lugash combination means taking a backward step in the art? What defendant's position really demonstrates is that Lugash was beyond the grasp of the ordinary skill of the art at the time the invention was made. Defendant's backward step argument rather convincingly demonstrates that any worker of ordinary skill would be deterred from any investigation into such a combination as is used by Lugash. All prior art stowable loaders were of a type to tip over loads, used relatively small platforms, could not be put into and out of use except by disassembly, assembly, or manual manipulation of parts or the parts supporting the platform [Find. 20, R. 667]. We say that these known disadvantages of old devices would naturally discourage the search for Lugash's invention by any worker of ordinary skill in the art, and they mean non-obviousness of the Lugash invention. *United States v. Adams*, *supra*, 86 S. Ct. at page 714.

On this record, it is indisputable that, prior to Lugash's conception, nobody in this art made the combination of invertible platforms and parallelogram linkage systems, to use our shorthand expression. Defendant's two experts, both patent-wise men of skill in this art, never testified that they actually conceived of the combination prior to Lugash. As the Court found, none

of the prior art relied on by the defendant, taken alone or in any combination, provided *any* suggestion of the combination [Find. 18, R. 667]. Thus, the *only* evidence in this record is the biased testimony of defendant's experts that if, prior to Lugash's invention, *they* had had the prior art before them, then it would have been obvious to *them* to make Lugash's invention or conception. That clearly does not rise to the level of satisfactory proof of obviousness. Such hypothesis, based on the biased testimony of patent-wise experts of long familiarity with the art, is "inexplicable". *Loom Company v. Higgins*, 105 U.S. 580, 595. And if the Lugash conception had actually entered the minds of these experts prior to Lugash's conception, "would it not be a creative thought whose presence would convert the mechanic into an inventor". *Hobbs v. Beach*, 180 U.S. 383, at 393.

In brief, defendant is asking this court to invalidate a valuable patent right merely on the basis of the biased inferences of defendant's witnesses, and in the face of a record where every material issue of fact regarding scope and content of the prior art, the differences between the prior art and the claims at issue, and the level of ordinary skill in the art were thoroughly tested and found contrary to defendant's position. It should not require citation of any authority to point out that an important patent giving the art its first practical stowable loader, should not be invalidated on any such tenuous basis.

VIII.

**Defendant Did Not Copy the Prior Art. It Deliberately Rejected the Prior Art and Utilized Lugash's Combination.**

As Lugash's claims are to a combination of functionally related elements, it does defendant no good to say that since platform inversion is an old feature, "defendant cannot infringe by using what is in the public domain". (A. O. B. 45). This argument is irrelevant.

"Of course, an element is a part, an essential part, of the combination, and enters as an operative agent in the performance of its functions. But this does not make it identical with the combination. It may be novel, patentable of itself, subject to its own special monopoly, or it may be free for everybody's use; but, *whether free or not free, free when the combination was formed (invented) or become free, it is not identical with the combination.*" (Emphasis added).

*Leeds and Catlin Co. v. Victor Talking Machine Co.*, 29 S. Ct. at page 501.

Now defendant attempts to characterize itself as one who independently of any knowledge of the plaintiffs' patents, pieced together the elements of the infringing Folda-Lift device. This is flatly opposed to all the evidence in the case, defendant's own admission, and the court's findings [Tr. 520, 574-580, Finds. 12, 18, R. 665, 667, lines 5-6].

The case is not as characterized by defendant. Instead, it is the case of an infringer who has done this piecing together only after he has seen the patentee's invention and rejected the prior art [Tr. 511-534]. This



in itself is strong evidence of "invention" i.e., non-obviousness. *Diamond Rubber Co. v. Consolidated Rubber Tire Co.*, 220 U.S. 428, 31 S. Ct. 444; *L. Ford Cartons v. Gordon Cartons, Inc.*, 121 F. Supp. 363, 368, 369 (D.C. Md. 1954); *Stevenson v. Lamson Corporation* (D.C. N.D. Cal. 1962), 210 F. Supp. 917.

The doctrine of equivalents operates in favor of the patentee of an invention consisting of a combination of old ingredients which produce new and useful results. *Graver Tank & Manufacturing Co. v. Linde Air Products*, 339 U.S. 605, 70 S. Ct. 854, 856. The Lugash Tuk-A-Way loader is of such novelty and importance as to constitute a distinct step in the progress of the art and it went into immediate and extensive use. "Its claims are therefore entitled to a fairly liberal construction". *Letson v. Alaska Packers Association* (C.A. 9, 1904), 120 F.R. 129, at page 140. But even without such liberal construction, it is well settled that immaterial variations between a patent and an accused device do not avoid infringement and that is the case here. *Cobbs v. Wisconsin Power & Light Co.*, 250 F. 2d 100, 109 (C.A. 7, 1957); *Georgia Pacific Corp. v. United States Plywood Corp.*, 258 F. 2d 124, 139 (C.A. 2, 1958).

In the first place, Lugash's claims are not limited as regards the precise location of the lifting linkages with respect to the platform. The presence of the phrase "adjacent each side of said platform" in claim 8, for example, is not limited to linkage systems precisely inside or on or outside of the extreme opposite ends of the platform. Such arrangements are equivalents in the art, as shown by defendant's failure to make any such discrimination when arguing prior patents. Viewed differ-

ently, the addition of sideward extensions of the platform without in any way altering the function and result of the parts of the mechanism clearly cannot avoid infringement. *Neff v. Cohu*, 298 F. 2d 82.

Inverting the platform to "superposed position on said linkage system" is all that is required by claim 8. The contact between the Folda-Lift platform and the cylinder casing is at the same location relative to the linkage systems as in the patented device, to achieve the same result as in *Lugash*, *i.e.*, to permit the inverted platform to be carried by the linkage systems and power means to the raised stowed away position under the truck bed without in any way interfering with the function of any of the parts. Defendant's position here is like the rejected contention of the infringer in *Bianchi v. Barili* (C.A. 9, 1948), 168 F. 2d 793, at page 799.

Defendant's arrangement risks damage to the power cylinder when the platform is dropped onto it in the process of inversion. But this risky disguise does not aid defendant. One does not avoid infringement by following the teachings of a patent imperfectly or by constructing a device that does not function as well as the patented structure. ". . . Defendants therefore cannot escape infringement by adding to or taking from the patented device by changing its form, or even by making it somewhat more or less efficient, while they retain its principle and mode of operation and attain its results by the use of the same or equivalent mechanical means". *Angelus Sanitary Can Machinery Co. v. Wilson* (C.A. 9, 1925), 7 F. 2d 314, at page 318. *Lugash* claim 1, calls for a stop means against which the platform may be swung to overlie the linkage systems. The defendant uses the power cylinder as such stop means.

But, one does not escape infringement by providing a single element which fully responds to a plurality of elements in the patent". *Hydraulic Press Manufacture Co. v. Williams, White & Co.*, 165 F. 2d 489, at page 492 (C.A. 7, 1947).

Defendant claims that in some models of its Folda-Lift loader "the ramping gate links do not produce the so-called 'level ride' platform". (A. O. B. 50). The testimony of defendant's president destroys this line of argument. He admitted that both ramping and non-ramping linkages are parallelogram linkages. [Tr. 611, line 5; 612, line 6] and that the function of these linkages is to keep the platform level so loads would not be tipped over [Tr. 553, lines 1-8]. What defense counsel is trying to do is to make a 3/16 inch difference [Ex. 8, pp. 81-83] into a non-equivalence in the face of admissions of equivalency.

Finally, we get to the contention that the difference between defendant's prior conventional tailgate loader and its infringing Folda-Lift is a mere matter of degree. (A. O. B. 46-47). Here, defendant would have us believe that defendant's Folda-Lift, which is a combination of functionally related elements, all of which are active for both loading and stowing purposes, is different merely in degree from its prior tailgate loader, in which such functions and results of the parts are *impossible*, as admitted by defendant's president. Thus, in the infringing Folda-Lift device, when the arms are lowered, the platform can be inverted to superposed position over the linkage systems. By contrast, when the tailgate platform of the defendant's prior E.B. tailgate loader is in lowered position, it is *impossible* to lift or pivot the platform through *any* degree of movement

[Tr. 595, line 16; 596, line 19]. Defendant had to provide a different platform, had to provide a different body spacer, and had to provide a different location of hydraulic lines and fittings [Tr. 602, line 12; 604, line 14], the net result of which is to absolutely prevent co-action of the parts to serve as a tailgate and to allow the parts to serve as a Tuk-A-Way loader, a function which the parts never had before.

A tailgate loader, and a Tuk-A-Way loader are mutually exclusive concepts involving different arrangements of parts. This was abundantly clear to the trial court as a result of demonstration of prior tailgate loaders, commercial exemplars of the plaintiffs' loaders, and a model of the defendant's infringing loader [Tr. 852, *et seq.*]. Defendant gives no credit to the opportunity of the trial court to appraise this evidence and the expertise of the testimonies thereon. To defendant's counsel, mutually exclusive devices are mere differences in degree rather than kind.

## IX.

### **Penalties for Patent Mismarking Cannot Be Imposed on the Mere Basis of a Presumption.**

Plaintiffs' manufacture and sell a large number of different models of the patented Tuk-A-Way loader [Tr. 303, line 19-304, line 10], which are constructed and operate in accordance with the teachings of Lugash '227 [Find. 9, R. 664, 665]. After the issuance of the second Lugash patent '196, certain models of the Tuk-A-Way loaders carried both patent numbers, although they were not of a unitary construction as required by the claims of the second patent. These are the H-23 model and a power take-off model, the latter model constituting less than 1% of the plaintiff's busi-

ness [Find. 37, R. 672]. Regarding the H-23, defense counsel summarized the evidence as follows:

“There was nothing to show whether there were a lot of sales or no sales as to that.” [Tr. 931, lines 14, 15].

Thus, the great majority or almost all of the plaintiffs’ sales were of Tuk-A-Way loaders properly displaying the numbers of both Lugash patents.

The court found that the mismarking of the two models of plaintiffs’ loaders was an innocent mistake [Find. 38, R. 673]. Defendant argues that “no evidence was presented by plaintiffs attempting to show that the mismarking was innocent”. (A. O. B. 52). Defendant’s contention can only be accepted by ignoring the bare recital of facts stated above regarding the relative volume of sales of mismarked and correctly marked loaders. Additionally, defendant gives no weight to the fact that the court itself questioned the plaintiffs’ witness, Murray Lugash, relative to the issue and circumstances surrounding the placing of both patent numbers on the certain models of the plaintiffs’ devices. He was the person who arranged for the making of the tags with both patent numbers of them [Tr. 306, line 16; Tr. 307, line 11]. As he testified, these patent numbers were used on Tuk-A-Way loaders upon advice of counsel and with the intent of publicizing their patent numbers [Tr. 307, lines 5-10, 319, lines 10-18]. Plainly, defendant is attempting to deny the right of the trial court to make reasonable inferences from the sum of the evidence before it and, more importantly, the inferences to be drawn from the demeanor of the witness before the court.

Now the statute, 35 U.S.C. 292, prohibits the false marking of “an unpatented article”. Here, all articles



were properly marked with the first Lugash patent number. In practical effect, what we have here is a situation in which a minimal number of the total sales of plaintiffs bear both patent numbers, as a result of innocent mistake. Now, the common practice of marking a patented article with the words "Manufactured under one or more of the following patents . . ." in a situation where not all of the listed patent numbers are applicable to the article so marked, is not a misuse of the patent numbers. *Sperry Products, Inc. v. Aluminum Co. of America* (D.C. Ohio, 1959), 171 F. Supp. 901. Aff'd. 285 F. 2d 911, at page 927.

Plaintiffs' position is that, without more, a mistake in patent marking constitutes violation of the statute. However, this ignores the specific language of the statute that this must be "for the purpose of deceiving the public". Obviously, to prevail defendant must establish more than mere mismarking. It must also present evidence of a purpose to deceive the public and the record is totally lacking in any such evidence. The presumption of *Krieger v. Colby*, 106 F. Supp. 124, relied on by defendant, cannot here take the place of evidence which would reasonably support a conclusion of deceit, for such result would have the effect of reading out the statutory requirement of a showing of a "purpose of deceiving the public". On the whole evidence, the presumption of *Krieger v. Colby* evaporates in the circumstances of this case. The evidence showed minimal sales of mismarked articles, the mismarking occurring as a result of mistake. That this is an accurate appraisal of the circumstances before the court is plain from the two pages of its opinion devoted to this subject [R. 571, line 2-573, line 2].



### Conclusion.

As is conceded by defendant, the matters involved here require, and in the trial court they received, expert clarification. Further, the whole record is fairly formidable in quantity. This body of proof, presenting material and disputed questions of fact, has no other elucidation in defendant's brief than the arguments of counsel, which arguments, as we have shown, have no factual basis on the evidence as a whole. This is the posture of defendant and the basis on which it asks this court to reverse the trial court. It should not be done. *Leeds and Catlin Co. v. Victor Talking Machine Co.*, 29 S. Ct. 495, 497.

A thorough examination of the whole record will produce a satisfying conviction that the trial court was correct in its judgment. This conviction should be reinforced as many important elements of plaintiffs' case were made out by cross-examination of defendant's witnesses, drawing out admissions which directly impeach many of the assertions made by defense counsel in its opening brief.

There was the claim of "irrefutable" anticipation where both defendant's experts admitted that there was none. There was the claim of the dropleaf tailgate going "beneath" the bed of the truck, based on exhibits admitted not to be prior art, and on a record where it was made clear from defendant's witnesses that the platform could not go "beneath" the bed of the truck. There was the claim that the Lugash invention is "useless", when in fact, the defendant sold over half a million dollars worth of said useless loaders and is still selling them, subject to a supersedeas bond. We submit, plain-

tiffs' case is a strong case. *Eibel Process Co. v. Minnesota & Ontario Paper Co.*, 43 S. Ct. 322, 324.

Lugash has given this art its first practical stowable power loader. Lugash's Tuk-A-Way loader has been shown to possess very important advantages over *all* previously available devices. Defendant's patentwise president was forced to admit the importance of these advantages over all previous commercially available loaders, including the dropleaf tailgate.

Lugash's loader is a combination of functionally related elements operating both for loading and stowing purposes. While defendant's counsel ridicules the functions of the elements for stowing purposes, saying it is all useless, there remains the undisputed fact of defendant's "conversion" of its tailgate loaders to manufacture the infringing Folda-Lift, incorporating Lugash's combination of elements functionally related for loading purposes and now also functionally related for stowing purposes and with the consequence of rendering the resulting infringing device useless as a tailgate. There can be no better demonstration of the great practical utility of Lugash's patent and of its non-obviousness to a prior art that was obsessed with tailgates. *Grant Tire Co. v. Consolidated Rubber Tire Co.*, *supra*.

We respectfully submit that the trial court's judgment in this case, arrived at after a lengthy trial and a careful basic factual inquiry into the facts on which the case turns, should be affirmed.

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### **Certificate.**

I certify that, in connection with the preparation of this brief, I have examined Rules 18 and 19 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

FREDERICK E. MUELLER

